



Agenda

- Overview
- DoD BIC Structure
- DoD BIC Timeline/Process
- DoD Approved Initiatives
- Pioneer Projects
- Outreach
- Summary



DoD BIC Basics

- **MISSION:** To improve efficiency of the DoD business operations by identifying and implementing business reform actions which allow savings to be reallocated to higher priority efforts (i.e., people, readiness, modernization, and transformation).
- **MEMBERSHIP:** Chair is USD(ATL). Other Members are Service Secretaries, VCJCS, USD (C) and USD (P&R).
- **INCENTIVE:** Services Retain All Savings



BIC Is Different From Other Reform Efforts

- Top DoD and Service leadership support & involvement.
- Joint, concerted, functional effort across Services, OSD, and JCS who team to identify, approve, and execute efficiencies.
- Champions assigned for each initiative.
- Implementation plans continually monitored.
- Focus not just savings, but efficiencies and other benefits.
- Real savings stay within organization to be applied smartly.

DoD BIC Structure

SENIOR EXECUTIVE COUNCIL (SEC)

SECDEF ■ DEPSECDEF ■ SERVICE SECRETARIES ■ USD (AT&L)

BUSINESS INITIATIVE COUNCIL (BIC)

SERVICE SECRETARIES ■ VCJCS ■ USD(AT&L) ■ USD(C)
USD(P&R)

EXECUTIVE STEERING COMMITTEE (ESC)

SERVICE 3-STARS ■ OSD EXECUTIVES
JCS

EXECUTIVE DIRECTORS
■ (EDs) ■

SERVICES ■ OSD
JCS

SUPPORT TEAM

PROCESS / FUNCTION BOARDS

ACQUISITION MANAGEMENT

RESOURCE MANAGEMENT

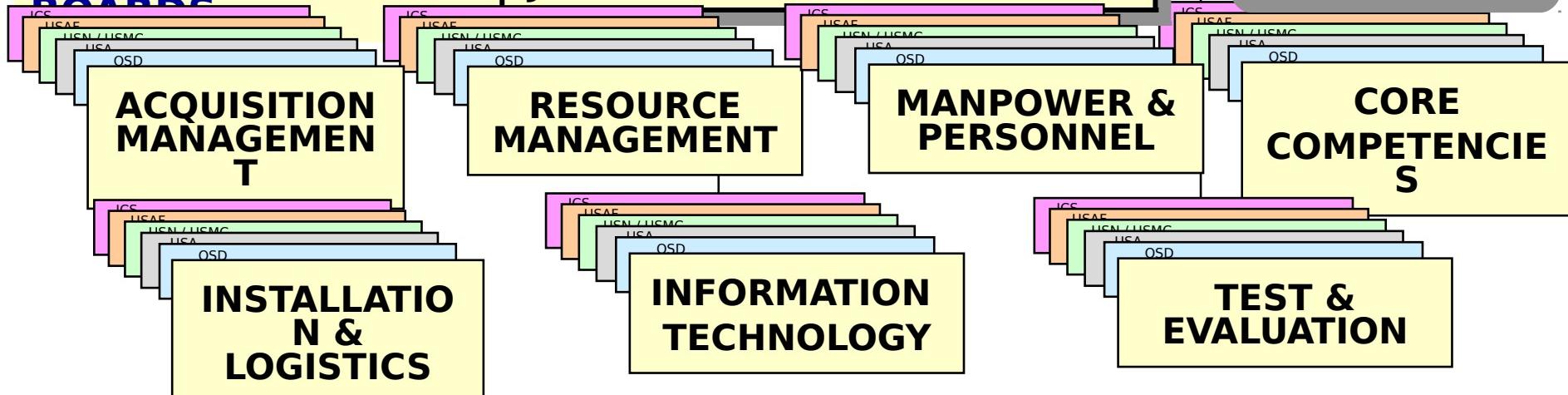
MANPOWER & PERSONNEL

CORE COMPETENCIES

INSTALLATION & LOGISTICS

INFORMATION TECHNOLOGY

TEST & EVALUATION





DoD BIC Timeline / Process

09/05/16 14:03

2002

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul

FY03-07 POM /
BUDGET Dev

PHASE I

OSD
PDM/PBDs

FY03 Budget
to Hill

FY04-09 POM/BUDGET
Develop/Submit

**NAVY
LEAD**

- Identify / approve “quick hits”
- Identify longer term initiatives



**PHASE
II**

**AIR FORCE
LEAD**

- Identify / approve longer term initiatives
- Develop implementation plans

PHASE III

ARMY LEAD

- Oversee Implementation
- Identify New initiatives
- Develop legislative strategy
- Develop metrics
- Oversee Development of Alternatives to A-76

Rotation Repeated Every 18 Months.



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Enterprise Software Initiative (ESI) (OSD CIO) IT01	Streamline the acquisition process by providing best-priced, standards-compliant software products through expanding the use of the ESI process.	Working
Raising BTR Thresholds (OSD (C)) RM06	Raise reprogramming thresholds for procurement from \$10M to \$20M and for research and development from \$4M to \$10M.	Report Language Only FY03 or 04
One-time Clearance of Priority Placement Positions for Science and Technology (Navy) MP05	“War for people” tool to eliminate unnecessary delays.	Pilot Program
Web-Based	Use the Web-based invoicing and	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Establish Funding Flexibility Within a Program (Army) RM05	Establish funding transfer flexibility between appropriations in same program for up to the lesser of \$30M or 10%.	Legislation Required FY03 Cycle
Increase Flexibility of Expired Year Funds (AF) RM07	Authority to reprogram expired \$ from same year when expired appropriation is exhausted.	Legislation Required FY03 or 04
Increase Expense/Investment Threshold (Army & AF) RM08	Increase threshold for expense items from \$100K to \$500K.	Legislation Required FY03 or 04
Cell Phone Pooling Minutes (AF) AM09	Pooling minutes for efficiency.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Modified Waiver Procedures for Hiring Military Personnel (AF) MP04	As a “war for people” tool, encourage highly qualified retired military personnel to pursue civil service careers by having SECDEF authorize Service Secretaries to delegate waiver authority within the components.	Pilot
Manpower Mix Management Flexibility (Army) MP06	OSD allow the services to make the most efficient use of civilian/contract personnel without predetermined constraints/expectations.	Completed
Recovery Auditing (Navy) RM01	Use contingency fee auditing services contract to identify and recover overpayments in Working Capital Funds to providers of good services.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Common Flight Clearance Process (Navy) TE01	In order to reduce clearance turnaround time, develop & implement a “common” flight clearance process by incorporating the latest information technology advancements.	Working
Common Range Scheduling Process (Navy) TE02	Develop and implement a web-based schedule tool capable of integrating and displaying schedule information that will enhance coordination and communications across multiple test sites.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Eliminate Excise Tax on DoD Tactical Vehicles (Navy) AM13	Request authorization of exemption by the Treasury Department from paying the Federal Retail Excise Tax (FRET) on all military & tactical-wheeled vehicles.	Denied by Treasury
Streamline Clinger-Cohen Implementation (Navy) AM15	Develop a process for the appropriate implementation of the Clinger-Cohen Act while avoiding the duplication of existing acquisition processes & oversight.	Completed
Streamline Contract Closeout Process (DCMA) AM18	Initially close-out 400 plus physically complete cost contracts, under \$1M & that are at least nine years old.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Revise Davis-Bacon Act Thresholds (Army) IL01	Raise the current threshold subject to Davis-Bacon Act from \$2K to the simplified acquisition threshold.	Denied
Improve Inter-service Performance Quality Data Report (PQDR) Business Process (DLA) IL06	Develop & implement a methodology to seamlessly share PQDR data across all Services & Agencies.	Working
Allow for Contracting of Security Guards (Army) IL08	Allow Services to contract security guards in the Continental United States (CONUS) at small locations in an effort to provide increased flexibility as the Department continues to enhance anti-terrorism/force protection	Legislation Required FY03 Cycle



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Establish Process for Property Conveyance for Conservation Purposes (DUSD) IL09	Allow DoD to convey surplus property to a state or local government, or nonprofit conservation organization for natural resource conservation purposes.	Legislation Required FY03 Cycle
Streamline Administrative Coordination Process (AF) IT03	This initiative is aimed at streamlining & simplifying the procedures used to coordinate documents & actions within DoD.	Working
Optimize Professional Continuing Education (PCE) (AF) MP14	In an effort to streamline Professional Continuing Education (PCE), allow Services to determine who/where is the best to provide PCE.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Modify Joint Professional Military Education (JPME) II Requirements (Joint Staff) MP15	Reduce the length of the JPME II course and allow it to be taught at other locations.	Working
Establish O&M Closeout Flexibility (Army) RM09	Allow DoD (Army pilot) to carryover for 1 year, up to 2% of Operations & Maintenance funding to improve quality of year-end obligations and re-utilize de-obligated funds.	Legislation Required FY03 or FY04
Streamline the GO/Flag Officer Nomination Process (ICS) MP18	Simplify the GO/FO nomination process & allow the Services to make timely & flexible moves of	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Commercialize Military-Developed Systems (AF) AM08	This initiative leverages commercially developed products for military use.	Legislation Required FY04 Cycle
Raise Thresholds for TINA (ASD-AT&L) AM21	Truth in Negotiations Act (TINA requires certified cost or pricing data to be submitted for contracts unless there is adequate price competition.)	Working
Implement Virtual IT Marketplace (ASD-C31/DoD CIO) IT02	Provide greater visibility of numerous buying sources through an electronic web-based portal.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Cell Phone Subsidy (Army) AM23	Develop procedures to select & reimburse employees a flat payment for official use of their personal cell phone.	Working
Streamline IT Equipment Disposal Process (OUSD-AT&L) IT04	Proposes that DISA be removed from the dual (DLA & DISA) process to dispose of IT hardware.	Working
Streamline Independent Technology Readiness Assessments (ITRA) (AF) RE07	Streamline DOD 5000 Requirement to have an ITRA for each ACAT 1D system.	Working



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Elimination of Value Engineering Reporting (AF) RE08	Eliminate annual value engineering reporting requirement.	Completed
Pioneer Projects (OSD-AT&L) CC01	DOD approaches to achieving competitive sourcing as alternatives to OMB Circular A-76. Projects use a variety of sourcing arrangements, such as the Federal Acquisition Regulation (FAR) Part 15 - commercial cost comparison; divestiture; direct service contracts, & re-engineering/ technology insertion	Working
Buy to Budget (AF) RM12	When budgeted dollars are available, allow DoD to purchase items using existing supply chain	Report Language



DoD-Approved Initiatives

Title (Champion) / Number	Summary	Status
Simplify Physical Access Control at DoD Installations & Facilities by Using the CAC (DoD CIO) IT05	Eliminate the necessity to issue and for DOD personnel to carry additional physical access badges when they are issued the Common Access Card (CAC).	Working
Eliminate Unnecessary Reports (OSD-AT&L) ST01	This initiative implements a process to routinely evaluate potentially unnecessary, duplicative or excessive reporting requirements.	On-Going
Embedded Instrumentation (Army) TE08	Establish acquisition and requirements policies that requires all systems to have an integrated set of embedded instrumentation for diagnostics, prognostics,	Working



ESC Directed Initiatives

#	Submitter	Title
1	Army	World-Class Civilian Personnel Hiring System
2	Navy	CEO Initiative - Solicit Ideas
3	Air Force	DoD Corporate Structure
4	Marine Corps	Budgeting for Results - Activity Based Performance Levels
5	OSD P&R	Provide Adequate Fitness Facilities
6	OSD AT&L	Consolidate Defense Agency Overhead Functions
7	Army	Nationwide Web-Enabled Real Estate Referral Services



ESC Directed Initiatives

#	Submitter	Title
9	OSD Comp	Working Capital Fund - Business Practices
10	OSD P&R	Joint Construction Initiative
11	OSD AT&L	System Divestment Process
12	OSD Comp	Financial Management Modernization Program Incentives
13	OSD P&R	Consolidation of Civilian HR Operations
14	OSD AT&L	Re-engineer Legislative Coordination Process
15	OSD Comp	Re-engineering Personnel Security Investigations
16	OSD Comp	Cost Effective Multi-Year Contracting



SEC Tasker: Pioneer Projects

(alternatives to A-76)

- **Each Military Department and Defense Agency shall:**
 - Inventory core competencies
 - Identify at least 1 non-core pioneer project using one of the alternatives to A-76.
 - Incorporate plans into POMs as soon as possible
- **DoD through the BIC shall:**
 - Compile pilot project proposals & timelines to satisfy DOD competition goal of 226,000 positions for action (50% of Fair Act inventory). Reflect in the FY04 President's Budget.
 - Develop w/OMB alternative performance metrics to supplement FAIR.
 - Develop & implement strategy for communicating initiatives.



Intellectual Framework to Evaluate Alternative Sourcing Arrangements





Alternatives to A-76 Plan of Action

- **17 Pioneer Projects proposed by the three Military Departments and 12 Defense Agencies.**
- **4420 authorized positions affected.**
(1780 military, and 2640 civilian)
- **10 approved Pioneer Projects employed 7 alternative techniques to A-76.**
- **Intent is to put these projects in the FY04 PB with requests for enabling legislation, as necessary.**
- **Plan is to complete the Presidential Management Agenda in POM 05-09.**
- **BIC Executive Directors created a Core Competencies Process Functional Board (AT&L Chair, P&R Co-Chair) to complete this work.**



Pioneer Projects - Forward to OMB

Svc/Agency	Title	Technique	Mil	Civ	Total
Army	Municipal Services Partnership for Base Support	Direct Service Contract (Legislation required)	0	500	500
Navy and Marine Corps	Ophthalmic Services	Divestiture	460	80	540
Air Force	Randolph MEO/A-76 later Brooks City Base	Reengineering Divestiture	400 40	800 100	1200 140
DCMA	Reengineer Existing IT Structure	Waiver to A-76	0	450	450
DLA	Metalworking Machinery Repair/Rebuild Services	Waiver to A-76	0	70	70
DISA	White House Communication Agency Military Manpower	Military Conversion	880	10	890
DFAS	Desk Top Management Services	New Requirement	0	130	130
NSA	Groundbreaker II	New Requirement	Clas	Clas	Class



OUTREACH

- DoD Organizations
- Defense Press
- Press Conferences
- GAO
- Congress
- OMB
- Conferences and Seminars





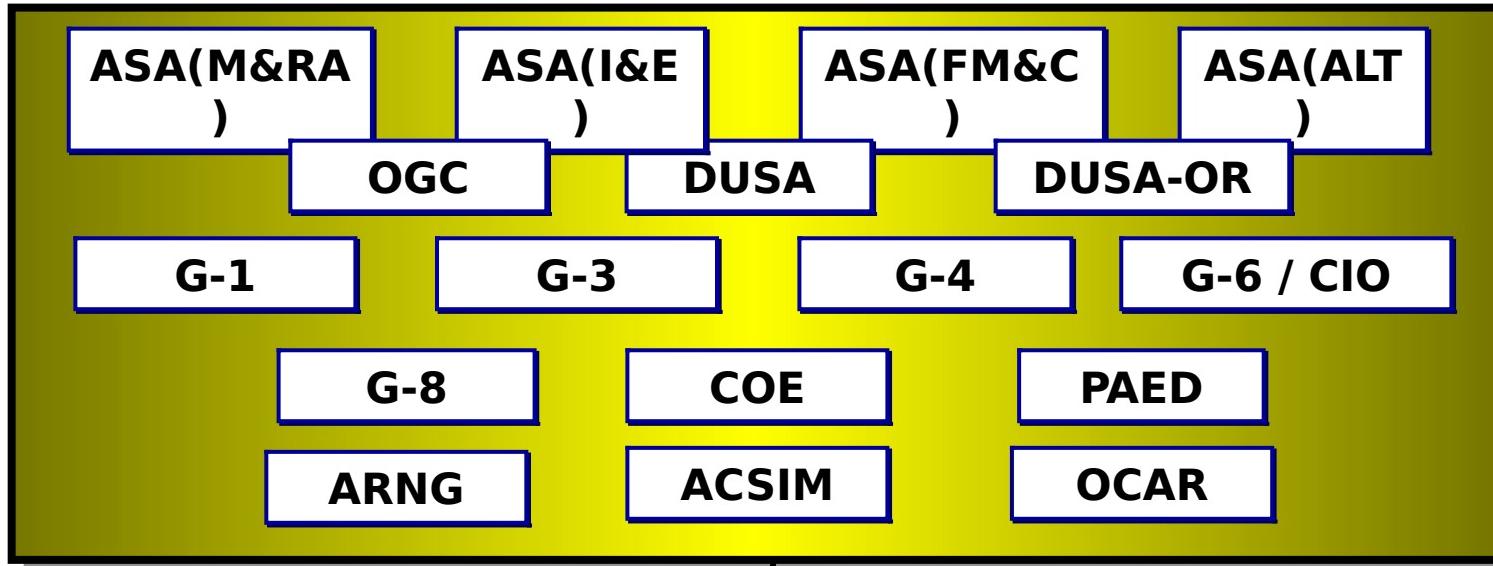
Army BIC Basics

- **MISSION:** To aggressively seek change to Army business practices, ensure stewardship of the Army's use of the Nation's resources, and strengthen readiness and the well being of our soldiers, Army civilians, and their families
- **MEMBERSHIP:** Executive Steering Committee (ESC) is Chaired by SECARMY. Other Members are Senior Level military and civilian leaders across the Army.
- **INCENTIVE:** Submitters Retain Savings.

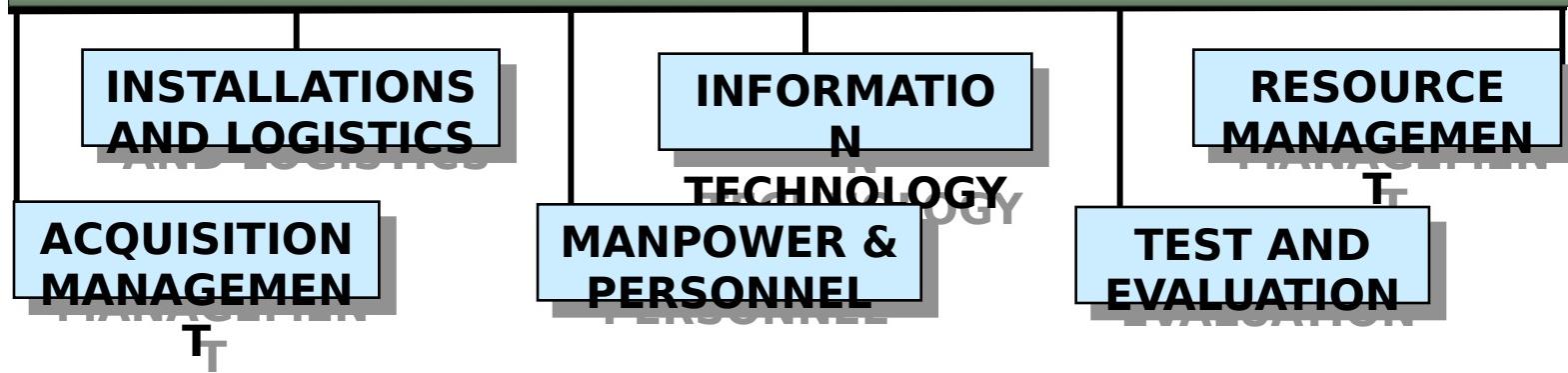


Army BIC Leadership

EXECUTIVE STEERING COMMITTEE (ESC)



PROCESS / FUNCTIONAL BOARDS (PFB)





Army BIC Accelerated High Visibility Process

- ❖ Maximum use of Internet to speed review process.
 - Round 1 - Email
 - Round 2 - Collaborative Website
- ❖ Assistant Secretaries, Army Staff Principals, and MACOMS are active players.
- ❖ Quarterly submission cycle for new ideas to SECARMY
- ❖ 30 days from submission of initiatives to SECARMY



SECARMY Approved Initiatives

Title / Number	Summary	Status
OMB Cir A-97 Contracting Svs w/Governments (AM-A-02-01)	Allows DoD and Federal Agencies to provide contracting services to state and local governments.	Army Only
Electronic Distribution of Contract Documents (AM-A-02-02)	Streamline contract document distribution process to DFAS thru Procurement Desktop - Defense capabilities.	
Guaranteed Fixed Price Remediation (IL-A-02-03)	Maximizing G/FPR contracts for appropriate restoration activities.	DoD BIC
Elimination of Pre-Printed Letter Head (IT-A-02-01)	Elimination of Pre-Printed Letter Head.	Army Only



SECARMY Approved Initiatives

Title	Summary	Status
Streamline HQDA Staff Action Process (IT-A-02-02)	Single, web-based site for coordination and tracking of actions across functional lines.	Army Only
Standardize HQDA Staff Procedures (IT-A-02-03)	Streamlining HQDA staff procedures. Document templates on the web for action officer use.	Army Only
Enterprise Configuration Mgt (IT-A-02-04)	Create an enterprise-level configuration management process that provides a multi-purpose, web-enabled, centralized tool set for IT capital planning and inventory management.	Army Only



SECARMY Approved Initiatives

Title	Summary	Status
Streamline Army Regulation Publishing (IT-A-02-06)	Update regulatory process to decrease time from draft to publication. Maximize electronic publishing and web collaboration.	Army Only
Standardize TRICARE Coverage (MP-A-02-03)	Mandate a standardized universal one time enrollment into TRICARE	DoD In-Play
Accounting for Contract Services (MP-A-02-08)	Obtain visibility over contract resources in programming and budgeting process	DoD BIC Army Pilot
Establish RM Online as Standard MACOM System (RM-A-02-01)	Identifies RM Online as one potential system for MACOMs. Did not direct standardization.	Army Only



SECARMY Approved Initiatives

Title	Summary	Status
Modify OMB Circular A-34 (RM-A-02-02)	Eliminates requirement for State/Local governments to pay in advance for work done by Federal agencies.	Army Only
Recovery of Unused Airline Tickets (RM-A-02-03)	Enhance Defense Travel System (DTS) to prevent loss of money for unused airline tickets.	Army Only
RC Reimbursement Authority (RM-A-02-04)	Allows for the use of RDT&E, OMA, or other fund types to enable RC personnel to support acquisition development and test.	Army Only
Limited Liability Company (RM-A-02-01)	Establishes Aberdeen Proving Grounds as a Limited Liability Company.	Army Only



Initiatives In-Play

Title	Summary	Status
Municipal Services Partnership (IL-A-02-02)	Extend expired demonstration project authority to partner with municipalities for base support services at selected installations.	Ongoing
Utilities Privatization (IL-A-01-01)	Streamlines the evaluation process for outsourcing a base utility system.	Ongoing
Transformation Installation Management (IL-A-01-02)	Provides a separate corporate structure for installation management. (Formerly CIM)	Ongoing
Army Contracting Agency	Provide policy & oversight of Army contracting activities & assume control of regional & installation contracting offices.	Ongoing



Initiatives In-Play

Title	Summary	Status
NETCOM	Responsible for providing management for all of the Army's IT & networks	Ongoing
Realignment Task Force Phase I	To establish a more integrated HQDA staff	Ongoing
Residential Communities Initiative	To improve the military family housing communities	Ongoing



Submitting Initiatives

- Your MACOM Commander will submit at least one initiative by 30 Jun 02 via Army Knowledge On-Line-AKO website: www.us.army.mil, select “Financial”, select “BIC”.
- The format for initiatives is on the web site.
- Initiatives required quarterly - may be submitted at any time.
- All initiatives must be approved within your MACOM chain of command.
- MACOM ROCs are listed at





SUMMARY

- **GREAT TEAM EFFORT TO DATE !!**
- **A LOT OF GOOD IDEAS HAVE COME FORWARD, AND MORE OPPORTUNITIES ARE OUT THERE**
- **CHALLENGES AHEAD:**
 - KEEP MOMENTUM GOING
 - SEE EACH INITIATIVE THROUGH TO SUCCESSFUL COMPLETION
 - TRACK AND MEASURE SAVINGS / BENEFITS